

VZCZCXRO4092  
OO RUEHBZ RUEH DU RUEHGI RUEHJO RUEHMR RUEHRN  
DE RUEHKI #0120/01 0361838  
ZNR UUUUU ZZH  
O 051838Z FEB 09  
FM AMEMBASSY KINSHASA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9143  
INFO RUEHXR/RWANDA COLLECTIVE  
RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RHMFISS/HQ USEUCOM VAIHINGEN GE  
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK

UNCLAS SECTION 01 OF 07 KINSHASA 000120

SENSITIVE  
SIPDIS

E.O. 12958: N/A  
TAGS: [PGOV](#) [PREL](#) [MOPS](#) [PHUM](#) [PREF](#) [EAID](#) [KDEM](#) [KPKO](#) [CG](#)  
SUBJECT: DRC: A Look Back on 2008 and a Preview of 2009

-----  
Summary  
-----

1. (SBU) The Government of the Democratic Republic of Congo (GDRC) faced substantial challenges in 2008 but made tangible progress in dialogue with armed groups, judicial, decentralization, and economic reforms and development cooperation. In 2009, the DRC faces many of the same challenges that it grappled with in 2008. The peace process in Eastern Congo, which began so promisingly with the Goma Actes d'Engagements in January 2008, has come full circle. The intense armed conflict, which began in October, gave way to renewed efforts to broker a political settlement between the GDRC and armed groups. Laurent Nkunda's CNDP rebel group fragmented through internal division and UN-mediated talks. Military cooperation with neighbors South Sudan and Uganda to neutralize the Lord's Resistance Army (LRA) began at the end of 2008 and continued into 2009 followed by joint operations with Rwanda against the armed group FDLR. The threat of a dispersed, but rampaging LRA presents the GDRC with a new variable in the East. On the domestic political side, there is concern about the power of the Presidency, although parliament continues to display a growing streak of independence. There are clear signs that the new GDRC will pursue a more active role in a variety of domains, including better coordination with international donors. While the Congolese army's (FARDC) collapse in 2008 provoked heightened security and human rights concerns, a change in the military's senior leadership presents the USG and its international partners with a fresh opportunity to intensify efforts to professionalize the FARDC and to move forward with a Rapid Reaction Force as a cornerstone of this process. On the economic front, the GDRC missed many opportunities in 2008 and will face difficult questions in 2009. Falling international commodities prices, endemic corruption, and regulatory and policy constraints remain impediments to economic growth. In 2009, the GDRC should demonstrate greater political will to: re-establish an IMF program; give priority to regional economic development and concurrently address the problem of illegal economic activity in war-torn eastern DRC; and take measures to improve the investment climate. USG assistance will continue to support USG policy goals in the DRC, including the promotion of peace and security in eastern DRC. Development programs will target the sectors of health, education, democracy and governance, economic growth, peace and security, environment, and social protection. End Summary.

-----  
Political Developments  
-----

The East  
-----

2. (SBU) The 2008 political scene in the DRC was dominated by continued unrest and conflict in the eastern provinces. Momentum from the January Goma Agreement, the resultant Amani Peace, Security and Development program and the associated cease-fire did not parlay

into a lasting peace agreement and demobilization of armed forces. The peace process stalled amid cease-fire violations despite regular contacts between regional government delegations, international facilitators, MONUC, and civil society. Despite moments of renewed optimism, such as the Kisangani Conference in May, during which dozens of FDLR-RUD fighters vowed to lay down their weapons and enter the demobilization process, in August the CNDP renewed hostilities with the DRC. High intensity conflict erupted between FARDC, CNDP, FDLR and various Mai Mai groups, culminating in the CNDP's march on Goma in late October. The DRC's participation in Operation Lightning Thunder, along with Uganda and South Sudan, demonstrated the resolve to take on the ever-present and serious threat posed by the LRA. In a remarkable turn of events, DRC and Rwandan forces began joint operations in January 2009 to eliminate the presence of former Rwandan Army and genocide-era militia members (FDLR) in the DRC. Widespread civilian displacement and human rights violations continue to occur in the heavily militarized eastern DRC.

¶3. (SBU) The challenge in 2009 will be to intensify efforts to achieve a durable political settlement, which will enable the GDRC to extend state authority in the area. The apparent rapprochement between Kinshasa and Kigali in January 2009, permitting joint Congolese-Rwandan military operations against the FDLR, is a first step to the re-establishment of Congolese state authority in the eastern DRC. The USG should continue to support conflict mitigation, including: improved relations between the GDRC and its eastern neighbors; facilitating integration of Congolese armed groups and encouraging DDRRR options; mitigating the danger of ethnic conflagration; and initiating steps to address illegal economic activities, which continue to fund armed groups and deprive

KINSHASA 00000120 002 OF 007

the GDRC of legitimate state revenues. It will be necessary to exhort the DRC to improve its dismal human rights situation in the East, partially a byproduct of incessant conflict. On the LRA question, the USG should encourage the GDRC to stay the course with Operation Lightning Thunder, aiming to capture LRA leaders or persuade them to opt for a genuine political solution.

#### Domestic Politics

¶4. (SBU) A MONUC investigative report criticized as "excessively violent" the reaction of the central government to incidents of unrest and insurrection committed by the Bundu dia Kongo (BDK) separatist movement members in Bas-Congo in January, February, and March 2008. Hundreds of civilians were killed and BDK places of worship were razed during operations led by the national police (PNC). The opposition and many international observers criticized President Kabila's use of executive privilege to dismiss and appoint magistrates and prosecutors in February, and again in October when he appointed hundreds of sub-provincial civil administrators. The appointments precede national preparations for the constitutionally-mandated process of decentralization and 2009 local elections.

¶5. (SBU) The September resignation of Prime Minister Antoine Gizenga ended a long period of absentee government. One month later, on the eve of nominating Prime Minister Adolphe Muzito, Kabila made a rare television appearance, calling for unity as the country mobilized against threats in the east. The Muzito government retained key economic and fiscal figures, including the Ministers of Economy, Finance, and Plan. Notable changes occurred at Defense and Interior, likely a consequence of the FARDC poor performance in the east. The new government also included three new posts for Vice Prime Ministers, whose dossiers reflected Kabila's campaign-winning slogan touting development priorities. Renewed engagement by DRC Ministers in the last quarter of the year with foreign donors, regional neighbors, and international organizations has inspired optimism that the government has assumed a more active role, which it was unwilling or incapable of doing during Gizenga's tenure.

¶6. (SBU) Parliament met in regularly scheduled spring (March-June) and fall (September-December) sessions, both sessions followed by

30-day extensions. Parliament passed and Kabila promulgated the law establishing the judicial oversight commission, prerequisite laws for decentralization and local elections, the law on the protection of children, and a law establishing the media regulatory body. Key omissions in 2008 included the law establishing general amnesty for crimes of insurrection in the Kivus, the creation of the permanent successor to the national electoral commission, the establishment of the courts and judicial order, and additional laws establishing local jurisdictions ahead of decentralization and local elections. The National Assembly enthusiastically engaged in oversight responsibility, frequently questioning government officials and national deputies, although little official censure resulted from the proceedings. The National Assembly also lifted immunity from prosecution for 12 deputies who allegedly took payments to influence their votes on the 2009 National Budget. In December, the National Assembly and Senate Presidents refused a call to join the GDRC team in the bilateral Nairobi talks with the rebel group CNDP.

17. (SBU) Despite promising diplomatic and military cooperation between the DRC and Rwanda in January 2009, ongoing conflict and human displacement in the east will be compounded by the implementation of the decentralization process and anticipated local elections. The USG can use these challenges as opportunities to assist the DRC in the following areas:

- further entrench and legitimize the USG presence in Goma as a symbol and hub of US commitment to ending the crisis in the short term and continued engagement in the region in the long term;

- intensify diplomatic engagement to push for action against GDRC and FARDC involvement in illicit mining activities, sexual and gender-based violence, trafficking in persons and child labor;

- continue USG mediation and facilitation in regional conflict resolution forums such as the Tripartite Plus Commission;

- remain engaged with the GDRC leading up to local elections and decentralization, encouraging the GDRC to move forward with these efforts in a consistent and democratic manner;

- remain engaged in justice reform, ensuring this will be a key pillar in the development of democratic institutions through continued funding of training and delivery of legal services;

KINSHASA 00000120 003 OF 007

- persuade the GDRC to stay the course on developing democratic institutions and practices, allowing political space for an opposition and proceeding with local elections, as scheduled.

-----  
Security and Defense Aspects  
-----

18. (SBU) Three interrelated issues dominated the military situation in the DRC in 2008, and they will present potential challenges and opportunities in 2009. First, a culture of impunity and corruption have made the FARDC an army in name only, and one whose human rights record is so abysmal that the DRC's citizenry are at more risk from it than from many of the extralegal armed groups in the country. Second, this factor contributed to the military stalemate in eastern DRC, as the FARDC remains as likely to collaborate with or flee from illegal armed groups in the region as it is to fight them. Finally, change in FARDC leadership at both the civilian (Minister of Defense - MOD) and military levels (Chief of Defense - CHOD) has the potential to improve the military situation if they are given adequate political and fiscal resources.

19. (SBU) The FARDC's new leadership is taking steps to address these problems, although it is uncertain whether or not it will have adequate will or political and financial capital to make the fundamental changes necessary to address the military's significant challenges. With the assistance of the European Union's Security Mission in Congo (EUSEC), the FARDC has completed a bio-metric census of its membership and appears poised to implement a chain of payment separate from the chain of command. The FARDC is also

focusing on the creation of a Rapid Reaction Force composed of up to twelve infantry battalions with supporting air and riverine capacity, which it views as a "model army" for the rest of the military and intends to use to end the military stalemate in the Kivus. Making the FARDC a professional force, or even settling for one that is merely harmless, will require more than structural change, however. President Kabila and the new MOD and CHOD will have to take meaningful steps to reduce corruption and impunity at all levels of the FARDC and establish a systematic professional military education program that will forge and sustain a generation of leaders who will institutionalize a professional military ethic into its organizational culture.

¶10. (SBU) The USG has an important role to play in the FARDC's reform effort, but the complex nature of the problem and limited resources militate for a response based on persistence, precision, and presence. Consistent presence is required to demonstrate the USG's commitment to security sector reform (SSR), to make continuous guidance available to the FARDC, and to provide an example of the professional military ethic in action. Precise targeting of USG military assistance resources is also necessary to address the fundamental problems facing the FARDC and maximize their impact by carefully coordinating them with other USG agencies, EUSEC, the United Nations Mission in the Congo (MONUC), and other states and entities involved in SSR. Lastly, the USG must be persistent in the face of fluctuations inherent in complex, dynamic situations, such as the current situation in the DRC, and offer its consistent support to those areas in which it chooses to engage while firmly holding the GDRC's leadership accountable for the FARDC's behavior.

-----  
Economic Outlook  
-----

¶11. (SBU) The DRC's economic environment changed dramatically during the course of 2008 as a result of the global recession in the final quarter of 2008. Double-digit GDP growth projections for 2008, forecast as recently as October, have been revised downward to 8 percent. GDP growth for 2009 is projected at below 5 percent. The once robust mining sector significantly contracted towards the end of the year due to falling international commodities prices, tightening international credit, and dampened investor confidence in the sector. International reserves reached a five year low. Within this rapidly changing landscape, there are several key economic developments of note in 2008: the conclusion in early 2008 of a \$9 billion Sino-Congolese agreement to exploit mining resources and develop Congolese infrastructure; the completion by mid-December of mining contract reviews for all but six of the 61 companies; progress, albeit incomplete, toward the re-establishment of an IMF Poverty Reduction and Growth Facility (PRGF); the passage of a record, if unrealistic, \$5 billion budget for 2009; an August 2008 meeting on development cooperation between President Joseph Kabila, Ambassadors from donor countries and representatives of multilateral aid organizations; and renewed engagement with traditional donors under the new leadership of Prime Minister Muzito. Progress was

KINSHASA 00000120 004 OF 007

made in implementing several key economic reforms during 2008, including: higher than anticipated revenues due to improved mobilization efforts and continuing reforms in the tax and customs administrations; improvements to the budget-execution system, including through implementation of a reporting mechanism within the public finance management system; and establishment, in coordination with international donors, of more specific and coherent policies to support infrastructure development. Overall, the DRC's economic record for 2008 was mixed, with missed opportunities by the GDRC to improve its investment climate, diversify its economy, and undertake necessary reforms that would have reduced the country's vulnerability to external shocks.

¶12. (SBU) As the DRC braces for a challenging economic outlook in 2009 -- including significantly lower economic growth, significant balance of payments and financing gaps and unrealistic spending levels in its 2009 budget -- the USG has an opportunity to advocate and engage in several key economic areas. These include:

-- Re-establishment of a formal IMF program: The GDRC has shown greater political will to revisit the Sino-Congolese agreement with the aim of establishing an IMF PRGF and accelerating Heavily Indebted Poor Countries (HIPC) completion point. The USG should continue to advocate, both with the GDRC and the PRC Government, the importance of making the Chinese agreement compatible with debt sustainability.

-- Support for immediate financial assistance: Post encourages USG support at the IMF Board level for immediate IMF financial assistance through the IMF's Rapid Access Component of its Exogenous Shock Facility. Support for this facility would provide critically needed fiscal space for the GDRC and provide leverage for us to push the DRC to work towards a formal IMF agreement and key reforms, including more transparent emergency spending. Without emergency financial support, the GDRC could face a financial crisis as early as the first quarter of 2009, possibly derailing prospects for the IMF program, further deepening the country's grinding poverty and potentially destabilizing the Government.

-- Regional Integration: There has been growing recognition, by the GDRC and donors, that economic integration can serve as a positive mechanism to reduce illegal trade and exploitation of natural resources by supporting legitimate commerce in the Great Lakes region. The USG should look for ways to reinvigorate existing regional economic institutional mechanisms and promote legitimate economic activities within the sub-region.

-- An improved investment climate: The DRC must do more to facilitate trade and investment, including reducing bureaucracy and corruption and resolving key outstanding investment disputes. A key goal for the GDRC in 2009 must be to improve its position from dead-last on the World Bank's Doing Business rankings. The USG should continue to engage with the GDRC at the highest levels to advocate for specific improvements in the investment climate. Working level GDRC officials have indicated a willingness to engage on these issues through a bilateral commercial dialogue.

-- Food Security: The International Food Policy Research Institute's Global Hunger Index ranks the DRC last among 88 countries surveyed. The country has much untapped agricultural potential but is overly reliant on food imports, including food aid, while agricultural production and market access are severely depressed. The USG should support development of the GDRC's strategic policies in this sector in the context of the Comprehensive Africa Agriculture Development Program (CAADP); increased support for the agricultural sector, and seeking to leverage other donors' support to reduce the DRC's import and aid dependence and promote growth of incomes in this sector.

-----  
Social and Human Development Aspects  
-----

113. (SBU) The DRC ranked 177 out of 179 countries on the 2008 update of the United Nations Human Development Index (HDI). The HDI ranks countries according to life expectancy at birth; adult literacy rates and the combined primary, secondary, and tertiary gross enrollment ratios; and standard of living by GDP per capita. For the first time, a Demographic and Health Survey (DHS) was conducted in the DRC in 2007, with nearly 10,000 women and nearly 5,000 men between the ages of 15 and 49 interviewed in all 11 provinces.

-- Health: The DHS shows a continued high fertility level, with an average of 6.3 children per mother. Results show that only one in five married women are using any form of family planning, and only one in five women indicated she would not want more children.

KINSHASA 00000120 005 OF 007

Childhood mortality remains extremely high in the DRC with 92 children per 1,000 live births dying before their first birthday. Maternal mortality also remains high, according to the DHS, with 549 maternal deaths for every 100,000 live births. Less than one in five children between the age of one and two received any childhood immunizations. Less than 10 percent of households own an insecticide treated mosquito net (ITN). One quarter of children

under the age of 18 are considered to be orphans or vulnerable children. The HIV prevalence rate was 1.3 overall, with almost 90 percent of those tested unaware of their HIV status. Prevalence rates were higher in urban areas than in rural zones.

-- Education: The DHS revealed elevated literacy rates, expressed as a 27.7 percent illiteracy rate for women, and a 13.6 percent illiteracy rate for men. Only 46 percent of the population attended primary schooling, 30 percent secondary schooling, and 3 percent completed university-level education.

-- Gender Based Violence: The DHS reported that nearly 75 percent of women have suffered from spousal or partner abuse, whether physical, emotional, or sexual. Nearly two thirds of women reported suffering from physical violence since age 15, and nearly half of women suffered violence during the past 12 months, with married women reporting higher levels of violence. Sixteen percent of women have been forced to have intercourse against their will at some point in their lives.

-----  
USG Assistance  
-----

¶14. (SBU) USAID/DRC continued to implement development programs in the sectors of health, education, democracy and governance, economic growth, peace and security, environment, and social protection in 2008. The major challenge facing U.S. foreign assistance programs in fiscal year 2008 was ongoing tension and conflict in the eastern DRC, which not only fueled a humanitarian crisis affecting hundreds of thousands of people, but also distracted the GDRC from fully focusing on the country's development agenda. In response to the crisis, humanitarian programs, including both food aid and non-food assistance, provided life-saving support. Overall, direct U.S. foreign assistance to the DRC totaled approximately \$215 million, including \$125 million in development assistance and military cooperation, and \$90 million in humanitarian assistance funding, including emergency food aid. Funding for 2008 included \$12.5 million in supplemental assistance.

¶15. (SBU) Support for a negotiated end to conflict received strong support in 2008, with programs in conflict mitigation, community stabilization, and disarmament, demobilization, and reintegration (DDR) building a foundation for an eventual end to hostilities. In 2008, U.S. foreign assistance included over \$9 million dollars in National Defense Authorization Act (Section 1207) resources for support to military justice, civilian justice, and local government strengthening activities and \$12.5 million in fiscal year 2008 Supplemental Economic Support Funds for return, reintegration and recovery activities. In 2009, assistance will continue for stabilization activities as the central cross-cutting theme for U.S. assistance.

¶16. (SBU) Embassy Kinshasa was one of three embassies in Africa to develop a new Country Assistance Strategy (CAS) in 2008, a whole-of-government strategic planning document that summarizes the direction and design of U.S. foreign assistance to the DRC for 2009-2013. The new CAS provides a tool to better communicate and plan for U.S. assistance activities to the DRC. The negotiation and signature of a new bilateral framework agreement -- the first rewrite since the 1948 accord with Belgium -- provides the basis for strengthening coordination and cooperation with the government of the DRC in programming these resources. In 2009, USAID will develop sector-specific assistance agreements with the GDRC in order to gain increased commitment and participation in the implementation of foreign assistance, while at the same time ensuring that resources are in line with the DRC's development agenda and the Country Assistance Framework endorsed by 19 multilateral and bilateral partners, including the United States.

¶17. (SBU) At the end of 2008 the DRC faced a severe budget crisis caused by the sharp decline in commodity prices, particularly for industrial metals that are the basis of the country's revenue earnings. U.S. foreign assistance will increasingly focus on the DRC's economic growth needs, in particular through support for a new agricultural development activity to support job creation and address the country's severe food insecurity problem. Although it has vast areas of arable land, the DRC is limited in agricultural

production by a lack of infrastructure, endemic corruption, and a

KINSHASA 00000120 006 OF 007

policy and regulatory environment that discourages investment. In 2008, nearly 30,000 rural households benefited from U.S. assistance in agriculture. The assistance also supported the creation of over 50 small and medium enterprises.

In 2009 a new agricultural development program will focus on processing and marketing issues in addition to increased production, but the more challenging issues of corruption and economic policy will remain high-level issues for engagement.

¶18. (SBU) In 2008, highlights in the democracy and governance area included the training of 275 national legislators and legislative staff on key issues such as financial procedures, and support in drafting eight key pieces of legislation, including decentralization legislation. In 2009 assistance will focus on improving governance and the rule of law, as the country implements an ambitious decentralization program and puts in place constitutionally-mandated judicial institutions. Further assistance will encourage civic participation in political processes, including planned 2009 local elections.

¶19. (SBU) Assistance in the social sectors, including health, education, and programs targeting survivors of gender-based violence and vulnerable children, continued to be an important focus of U.S. foreign assistance in 2008. In health, USAID supported the delivery of a package of basic health services for over 10 million people in 82 health zones, including a focus on maternal and child health; prevention and treatment of malaria, TB, and HIV/AIDS; and family planning and reproductive health. In education, enrollment rates increased in USAID-supported schools by 22 percent, with over 600,000 students and 21,000 teachers benefiting from education programs. USAID provided critical care and treatment services to more than 20,000 vulnerable people, including survivors of sexual and gender based violence (SGBV) and abandoned and at-risk children.

Under the new CAS, the health and education portfolios will begin new activities in 2009 to address critical needs in these areas. Programs targeting the prevention and treatment of HIV/AIDS, in particular, will be implemented with increased PEPFAR resources. Programs targeting survivors of gender-based violence will continue, though limited resources will not expand activities responding to this growing crisis.

¶20. (SBU) U.S. military assistance to the DRC increased in 2008, in recognition of the central role of a strengthened armed forces in the DRC's stability and long-term development. The U.S. is supporting the establishment of a rapid reaction force battalion to enable the DRC to respond to pressing security threats from illegal armed groups and develop a model around which future professional units can be formed. Congolese institutional military capacity was improved by providing a senior advisor to the Ministry of Defense, and by supporting professional training for 650 brigade and battalion level officers in leadership, decision making, human rights and basic staff skills training. U.S. assistance also supported refurbishment of an officer training center in Kinshasa.

-----  
Environment, Forest Conservation, and CARPE  
-----

¶21. (SBU) The GDRC made important strides in forestry management and environmental conservation in 2008, notably the final conversion of forest logging titles into concessions in conformance with the 2002 forestry code. An inter-ministerial commission, with local community representation, reduced legal concessions from 156 to 49, with a corresponding 75 per cent reduction of area allocated for logging. The national park service approved three new protected areas to bring the total protected area of national territory to over ten percent (Note: the government target is 15%. End Note) The Ministry of Environment and Forestry adopted an ambitious legal reform agenda and improved coordination with the donor community through regular and well structured thematic donor group meetings.

¶22. (SBU) In 2009, the decentralization process will challenge the

DRC's capacity to manage protected areas. DRC conservation financing through the Bali Global Climate Change Road Map envisions carbon market payments to the GDRC within the global reduction of deforestation and degradation (REDD) framework. The USG has a massive investment in tropical forest and biodiversity conservation through the Congo Basin Forest Partnership and the Central Africa Regional Program for the Environment (CARPE). USG support contributes to improved management of 45 zones totaling 24 million hectares in the DRC. These investments can facilitate DRC participation in future carbon markets and support poverty reduction at local levels.

-----

KINSHASA 00000120 007 OF 007

Comment

-----

¶23. (SBU) Recent diplomatic and military cooperation with Uganda, South Sudan, and Rwanda underpin optimism for security and pacification in the eastern DRC in 2009. The USG should capitalize on these developments to support the demobilization and integration of armed groups and the professionalization of the national army. Regional cooperation will be a cornerstone of DRC national security and economic reform. DRC coordination with regional partners, international donors, and international institutions such as the IMF will simultaneously address short-term responses to the global economic downturn and promote long-term financial assistance and development programs. Cessation of armed conflict in the east would allow development assistance to take hold and permit the transition from costly defense spending to desperately needed infrastructure investment. The development of effective checks and balances within the national government is a work in progress which will be further complicated by the decentralization process, and continued USG assistance and oversight is essential to prevent a return to the centralized regimes of the past. Guarded optimism and focused engagement, tempered by memory of recent military and economic reverses, should guide the USG policy towards with the DRC in 2009. End Comment.

GARVELINK